



**Energia response to SEM Committee
Consultation Paper SEM-20-042**

Consultation Paper on Aggregation

5 August 2020

1. Introduction

Energia welcomes the opportunity to respond to the SEM Committee Consultation Paper SEM-20-042 (the "Consultation Paper") on aggregation in SEM and in particular on whether Aggregators have fair and non-discriminatory access to SEM.

2. Comments on the Consultation Paper

In respect of the questions posed in the Consultation Paper, Energia seeks to focus its response on section 5.3 - Facilitation of Market Participation, and the questions contained within. This section of the Consultation Paper highlights a requirement for aggregators to have non discriminatory access to the SEM, and in doing so questions whether both Intermediaries and DSUs currently have non-discriminatory access to markets and whether any updates are required to ensure non-discriminatory access for this set of market participants.

In response, Energia wish to highlight that aggregators should have to abide by the same market rules, including applicable licence conditions and bidding restrictions, as other market participants to ensure a level playing field in the market. This relates to a key principle of fairness which should not be undermined as part of this consultation on aggregation in SEM. Furthermore, it is worth noting that potential market power issues should be taken into account in any changes to the existing framework being contemplated.

We note from the Consultation Paper that it is envisaged there will be further communications around this topic later in 2020. However, we strongly believe that further consultation is necessary if any amendments are proposed to the current market structure, including the options under consideration and their potential impacts. Further consultation is particularly needed in circumstances where no clear proposals have yet been put forward, and where amendments to the current market structure will be considered on foot of responses to this consultation and interactions with (the outcome of) a separate consultation on Intermediary Arrangements (SEM-20-033).

We would be happy to discuss any of the above points further at your convenience if that would be helpful.